

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8041
BILL NUMBER: SB 526

DATE PREPARED: Jan 18, 2001
BILL AMENDED:

SUBJECT: Loan Brokers and Broker Dealers.

FISCAL ANALYST: John Parkey
PHONE NUMBER: 232-9854

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: This bill allows the Indiana Securities Commissioner to select up to 25% of all Indiana home and branch offices of registered broker-dealers for completion of compliance reports instead of requiring at least 25% all Indiana home and branch offices of registered broker-dealers for completion of compliance reports. The bill increases the cost of loan broker registration from \$100 to \$200. The bill requires the Security Commissioner to retain the initial or renewal application fee paid for any license application that is withdrawn or denied. The bill creates the Loan Broker Regulation Account in the State General Fund. The bill provides that all of the fees and funds, other than the costs of investigations and civil penalties recovered under the loan broker statute, must be used for the regulation of loan brokers. The bill provides that the anti-fraud provisions of the loan broker laws apply to registered and unregistered loan brokers.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues: This bill will change the way fees collected from Loan Brokers are distributed. Under current law, loan broker fee revenue is deposited into the State General fund, for general fund purposes. This bill will deposit fees from loan brokers into the Loan Brokers Regulation Account, created by the bill. Funds in Loan Brokers Regulation Account could only be used for the regulation of loan brokers. Any money in this account at the end of the fiscal year would not revert to the General Fund. The loan broker application fee is \$250, with a \$200 renewal fee paid on a biennial basis. *(This note will be updated when the total funds collected from loan brokers becomes available.)*

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of the Secretary of State.

Local Agencies Affected:

Information Sources: Brad Skolnik, Securities Commissioner, Office of the Secretary of State, 232-6690.